

Claims

What is claimed is:

5 1. A computer-implemented method for determining a cost basis associated with a plurality of shares of a security, comprising the steps of:

(A) entering, into a computer system, information identifying an issuer associated with the security, a purchase date of the security, and a number of shares of the security purchased on the purchase date;

10 (B) determining a purchase price per share of the security on the purchase date;

(C) retrieving from a database, in response to the information identifying the issuer, the purchase date and the sale date, a list of capital events that occurred in connection with the security between the purchase date and sale date; wherein the list of capital events includes at least one event selected from the group consisting of a distribution reinvestment, a spin-off event, a merger event and a split event; and wherein the database stores past price per share information and capital events for a plurality of different securities associated with different issuers;

15 (D) retrieving from a database one or more shares held adjustment ratios, wherein the shares held adjustment ratios correspond to at least one of the capital events that occurred in connection with the security between the purchase date and the sale date;

20 (E) determining a current cost basis associated with the security by applying at least one shares held adjustment ratio to the initial basis of the security; and

(F) if multiple shares held adjustment ratios were retrieved from the database, then

(i) assigning an intermediate cost basis equal to the current cost basis;

(ii) adjusting the current cost basis by applying a further shares held

adjustment ratio to the intermediate cost basis; and

5 (iii) repeating steps (i)-(ii) until each further shares held adjustment ratio
retrieved from the database has been used to adjust the cost basis of the security; wherein each
further shares held adjustment ratio retrieved from the database has an event date associated
therewith and is applied in step (F) in a chronological order such that the shares held adjustment
ratio associated with a latest event date is applied in a final iteration of step (ii).

10 2. The method of claim 1, wherein the price of the security on a purchase date is
provided by a user.

15 3. The method of claim 1 wherein the price of the security on a purchase date is
obtained from a database.

4. The method of claim 1, wherein the plurality of different securities include
common stocks, mutual funds and closed end bond funds.

20 5. The method of claim 1, wherein the shares held adjustment ratio associated
with each dividend reinvestment event stored in the database corresponds to a dividend amount
issued per share at the time of each such dividend reinvestment event.

6. The method of claim 1, wherein the shares held adjustment ratio associated with each stock-split event stored in the database corresponds to a number of additional shares of a given security issued for each share of the given security held prior to such stock-split event.

5 7. The method of claim 1, wherein the shares held adjustment ratio associated with each merger event stored in the database corresponds to a number of shares of a security associated with a merged entity issued for each share associated with an issuer that merged into the merged entity.

10 8. The method of claim 1, wherein the shares held adjustment ratio associated with each spin-off event stored in the database corresponds to a number of shares of a security associated with a spun-off entity issued for each share associated with an issuer that divested the spun-off entity.

15 9. The method of claim 1, wherein the shares held adjustment ration associated with a merger event stored in the database corresponds to a number of shares of a security associated with a merger entity issued for each share associated with an issuer that merged with the merger entity.

20 10. The method of claim 1, wherein the list of capital events further includes worthless security events.

11. The method of claim 10, further comprising the step of notifying a user of the worthless security event, the date of the worthless security event, and the basis of the security at the time of the worthless security event.

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12. The method of claim 1, wherein the step of entering, into a computer system, information identifying an issuer associated with the security, a purchase date of the security, and a number of shares of the security purchased on the purchase date further comprises entering the information into the computer system via a graphical user interface.

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13. The method of claim 1, wherein the step of entering, into a computer system, information identifying an issuer associated with the security, a purchase date of the security, and a number of shares of the security purchased on the purchase date further comprises entering the information into the computer system via a spreadsheet interface.

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14. The method of claim 1, wherein the step of entering, into a computer system, information identifying an issuer associated with the security, a purchase date of the security, and a number of shares of the security purchased on the purchase date further comprises entering the information into the computer system via a batch list.

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15. The method of claim 1, wherein the list of capital events further includes security delisting events, and the method further comprises notifying a user of the delisting event, the date of the delisting event, and the basis of the security of the delisting event.

5 16. The method of claim 15, wherein the list of capital events further includes security relisting events, and the method further comprises the step of determining whether a security has been relisted after a delisting event.

10 17. The method of claim 1, wherein the database stores the capital events for the plurality of different securities in a first table, and the database stores price information for each of the plurality of securities in at least a second table.

15 18. The method of claim 17, wherein the database further stores security issuer information in a third table, said security issuer information correlating identification changes in a security.

20 19. The method of claim 17, wherein for each capital event stored in the first table, the database includes fields corresponding to a name of a company associated with such capital event, a stock symbol associated with such capital event, a CUSIP number associated with such capital event, a date of such capital event, a type of such capital event, and a shares held adjustment ratio associated with such capital event.

20. The method of claim 19, wherein for each capital event stored in the first table, the database further includes a field that stores a value correlating the stock symbol and the CUSIP number associated with such capital event.

5 21. The method of claim 20, wherein the value correlating the stock symbol and the CUSIP number uniquely identifies an issuer associated with a given security in the database as such issuer undergoes merger events, spin-off events and name change events.

10 22. The method of claim 17, wherein for each date for which price information is stored in the second table, the database stores a high price, a low price, an open price and a close price for each of the plurality of securities.

15 23. The method of claim 1, further comprising step of determining whether a security for which a present basis is to be determined is an option security, and where the security for which a present basis is sought is an option security, determining whether the option security was exercised.

20 24. The method of claim 23, further comprising the steps of retrieving a shares held adjustment ratio and an exercise price for an option security from a database when it is determined that the option security was exercised, and determining from option security basis and the exercise price a basis in a security obtained by exercise of the option security.

25. The method of claim 23, further comprising the step of retrieving an expiration date from a database when it is determined that an option security has not been exercised, and where the expiration date is prior to the present date, informing a user of the expiration of the option security, the date of such expiration, and the basis of the option securities held on the date of expiration.

26. The method of claim 1, wherein the list of capital events further includes at least one rights issuance.

27. The method of claim 26, wherein the method further comprises the steps of:
when rights issuance is retrieved as a capital event for a security, notifying the user of the rights issuance;
determining whether the rights have been exercised; and
when the rights have been exercised, determining a basis allocation between the original security and a security acquired by exercise of the rights;

28. The method of claim 1, wherein the list of capital events further includes at least one warrants issuance.

29. The method of claim 28, wherein the method further comprises the steps of:
when a warrants issuance is retrieved as a capital event, notifying the user of the warrants issuance;
determining whether the warrant has been exercised; and

when the warrant has been exercised; determining a basis allocation between the original security and the interest acquired by exercise of the warrant.

30. A computer-readable medium tangibly embodying instructions which, when
5 executed by a computer, implement a process comprising the steps of:

receiving from a user an identifier associated with an investment for which the basis is
desired to be tracked;

receiving from the user a purchase price for the investment when the user knows the
purchase price of the investment;

10 determining the original basis of the investment;

accessing a database to identify capital events of, wherein said capital events of interest
occurred after the investment was purchased, said capital events further including at least one
capital event from the group consisting of a dividend reinvestment event, a spin off event, a
merger event, a split event, and an option expiration event;

15 determining from a database the effect of identified capital events of interest on the basis
of the investment;

applying the effect of identified capital events of interest to the original basis to
determine a corrected basis;

informing the user of the corrected basis.

31. A computer-readable medium tangibly embodying instructions according to claim 30, wherein the instructions when executed by a computer further comprising the steps of:

when a use does not know the purchase price of the investment, querying the user for the purchase date of the investment;

5 when the user provides a purchase date for the investment, querying a database to determine the purchase price of the investment on the provided purchase date.

32. A computer readable medium tangibly embodying instructions according to claim 31, wherein the instructions when executed by a computer further comprise the steps of:

10 when a purchase date is unknown, determining a period within which the investment was purchased;

determining from a database the purchase prices for the investment during the period;

determining an average purchase price for the investment for the identified period.

15 33. A computer-readable medium tangibly embodying instructions according to claim 30, wherein the instructions when executed by a computer further comprise the steps of:

determining whether the investment has been sold;

when the investment has been sold, querying the user for sale price of the investment;

20 when the user provides a sale price for the investment, determining the amount received for selling the investment;

determining the capital gain or loss for the investment;

wherein the process further limits capital events of interest to those capital events having occurred after purchase of the investment and prior to sale of the investment.

34. A computer-readable medium tangibly embodying instructions according to claim 33, wherein the instructions when executed by a computer further comprising the steps of:

when a user does not know the sale price of the investment, querying the user for the sale

5 date of the investment;

when the user provides a sale date for the investment, querying a database to determine the sale price of the investment on the provided sale date.

35. A computer readable medium tangibly embodying instructions according to claim 34, wherein the instructions when executed by a computer further comprise the steps of:

when a sale date is unknown, determining a period within which the investment was sold;

determining from a database the sale prices for the investment during the period;

determining an average purchase price for the investment for the identified period.

36. A computer readable medium tangibly embodying instructions according to claim 30, wherein the instructions when executed by a computer further comprise the steps of:

determining whether the investment is an option investment:

when the investment is an option investment, querying the user to determine whether the option investment was an option to purchase an associated investment;

when the investment is an option to purchase an associated investment, querying the user to determine whether the option to purchase an associated investment was exercised;

when the option to purchase an associated investment was exercised, querying the user to determine the exercise price of the associated investment;

determining the basis of the associated investment based on the exercise price of the investment and the purchase price of the option to purchase.

37. A computer readable medium tangibly embodying instructions according to claim 30, wherein the investment is a publicly traded security, the quantity of the security being definable in units, and wherein the basis of the investment is expressed in per units terms.

38. A computer readable medium tangibly embodying instructions according to claim 30, wherein the instructions when executed by a computer further comprise the steps of:

querying a user to determine a purchased number of units of a security comprising the investment desired to be tracked;

retrieving from a database a shares held adjustment ratio associated with a capital event of interest for the publicly traded security;

adjusting the basis per share of the security by determining an adjusted number of units of the security held, said adjusted number being determined by multiplying purchased number of units by the shares held adjustment ratio, and adjusting the basis per share of the investment as required by the adjusted number of units.

39. A system for determining a cost basis associated with a plurality of shares of a security, comprising:

(A) a computer system with a user interface that receives information identifying an issuer associated with the security, a purchase date of the security, a number of shares of the security purchased on the purchase date, and a sale date of the security;

(B) a database coupled to the computer system, wherein the database stores a purchase price per share of the security on the purchase date;

(C) software that causes the computer system to retrieve from the database, in response to the information identifying the issuer, the purchase date and the sale date, a list of capital events that occurred in connection with the security between the purchase date and sale date; wherein the list of capital events includes at least one event selected from the group consisting of a reinvested dividend event, a stock spin-off event, a stock merger event and a stock split event; and wherein the database stores past price per share information and capital events for a plurality of different securities associated with different issuers;

(D) wherein the software further causes the computer system to retrieve from the database one or more cost basis adjustment ratios, wherein each of the cost basis adjustment ratios corresponds to one of the capital events that occurred in connection with the security between the purchase date and the sale date;

(E) wherein the software further causes the computer system to determine a current cost basis associated with the security by applying a first cost adjustment ratio to the purchase price per share of the security; and

(F) wherein, if multiple cost basis adjustment ratios were retrieved from the database by the software, then the software:

(i) assigns an intermediate cost basis equal to the current cost basis;

(ii) adjusts the current cost basis by applying a further cost adjustment ratio to the intermediate cost basis; and

(iii) repeats steps (i)-(ii) until each further cost adjustment ratio retrieved from the database has been used to adjust the current cost basis; wherein each further cost adjustment

ratio retrieved from the database has an event date associated therewith and is applied in a chronological order such that the cost adjustment ratio associated with a latest event date is applied in a final iteration of step (ii).

5 40. A system for determining a cost basis associated with a plurality of shares of a security, comprising:

(A) means for entering, into a computer system, information identifying an issuer associated with the security, a purchase date of the security, a number of shares of the security purchased on the purchase date, and a sale date of the security;

10 (B) means for retrieving, from a database coupled to the computer system or from a user of the computer system, a purchase price per share of the security on the purchase date;

15 (C) means for retrieving from the database, in response to the information identifying the issuer, the purchase date and the sale date, a list of capital events that occurred in connection with the security between the purchase date and sale date; wherein the list of capital events includes at least one event selected from the group consisting of a reinvested dividend event, a stock spin-off event, a stock merger event and a stock split event; and wherein the database stores past price per share information and capital events for a plurality of different of securities associated with different issuers;

20 (D) means for retrieving from the database one or more cost basis adjustment ratios, wherein each of the cost basis adjustment ratios corresponds to one of the capital events that occurred in connection with the security between the purchase date and the sale date;

(E) means for determining a current cost basis associated with the security in accordance with the one or more cost adjustment ratios and the purchase price per share of the security.